



Senator Ted W. Lieu

28th Senate District

Senate Bill 353

Prohibiting Deceptive Marketing Practices under the Affordable Care Act

Fact Sheet

Background:

With the passage of the federal Affordable Care Act, as many as 7 million Californians will gain access to health coverage in 2014. Many Californians will be able to enroll in health care coverage for the first time.

As the implementation of health reform gains momentum, it is vital that our health care system meets the needs of California's diverse communities. In the California Health Benefit Exchange, communities of color will comprise 65 percent of Californians eligible for subsidies and 32 percent will speak English less than well. Also significant is that communities of color will comprise 79 percent of the newly eligible adults under the Medi-Cal expansion, and 51 percent will speak English less than well.

Deficiency in existing law:

Currently the state Department of Managed Health Care has the authority to review and approve marketing materials for new health-care products. This helps to ensure that information is vetted and reviewed by the state before being sent out to the public. However, the California Department of Insurance does not currently have the authority to review and approve marketing materials on new health insurance products.

As open enrollment begins and the requirements under the ACA become a reality, including the individual mandate, it is critical that communities of color, Limited-English Proficient (LEP) consumers and low-income, first time insureds have access to fair and accurate information. These new programs and mandates present an opportunity for unscrupulous actors to engage in deceptive marketing. The uninsured in California, many of whom are working families and have long needed health insurance, are the prime targets for these actors. Immigrants and LEP individuals are even more vulnerable to deceptive practices due to confusion about the individual mandate and eligibility rules.

Without access to accurate, easily understandable information consumers may be taken advantage of by unscrupulous actors who mischaracterize the law. The uninsured are prime targets, and immigrants and LEP individuals are especially vulnerable to these types of practices due to confusion about the new programs and eligibility rules.

This Bill:

Senate Bill 353 would ensure that Californians have appropriate and accurate information they will need to enroll in health care coverage by strengthening consumer protections, closing gaps in current state laws and requiring fair and accurate marketing materials.

Specifically, this bill would level the playing field between regulatory agencies by giving the Directors of Department of Managed Health Care and the Insurance Commissioner the same authority to review and approve marketing materials.

This bill seeks to ensure LEP and immigrant communities have the information they need to enroll in health care that best meets their needs by requiring health plans that advertise in non-English languages to provide certain written documents in those languages.

Support:

California Immigrant Policy Center (Co-Sponsor)
California Pan-Ethnic Health Network (Co-Sponsor)
Health Access (Co-Sponsor)
ACT for Women and Girls
American Association of University Women – Chula Vista
American Cancer Society Cancer Action Network
American Diabetes Association
American Federation of State, County and Municipal Employees (AFSCME)
APAIT Health Center
Asian Americans for Civil Rights & Equality
Asian Pacific American Legal Center



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Asian & Pacific Islander American Health Forum
California Black Health Network
California Communities United Institute
California Health Advocates
California Rural Legal Assistance Foundation
California School Employees Association
Cal-Islanders Humanitarian Association
Children's Partnership & CA Coverage and Health
Initiatives
Consumers Union
Earth Mama Healing, Inc.
Families in Good Health
Greenling Institute
Guam Communication Network
Latino Coalition for a Healthy California
National Association of Social Workers
Street Level Health Project
Union of Pan Asian Communities
United Nurses Association of CA/Union of Health Care
Professionals
Vision Y Compromiso

Opposition:

Association of California Life & Health Insurance
Companies
California Association of Dental Plans
California Association of Health Plans
California Chamber of Commerce

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